

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BALLARD RURAL TELEPHONE	)	
COOPERATIVE CORPORATION, INC., FOR A	)	
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	CASE NO.
NECESSITY TO CONSTRUCT NEW FACILITIES	)	95-241
THROUGHOUT SEVEN OF ITS EXCHANGES IN	)	
WESTERN KENTUCKY	)	

O R D E R

On May 26, 1995, Ballard Rural Telephone Cooperative Corporation, Inc., ("Ballard Rural") filed an application for a Certificate of Public Convenience and Necessity ("CPCN") to construct new facilities throughout its seven exchanges in Western Kentucky.<sup>1</sup> Ballard Rural is a non-stock, non-profit membership cooperative corporation serving 5,571 access lines in Ballard and McCracken counties. Ballard Rural's principal office is located in La Center, Kentucky.

Ballard Rural proposes to renovate and upgrade its outside plant in all seven exchanges. Ballard Rural proposes to install fiber optic cable and new pad-mounted remote switches to satisfy the anticipated five year growth in its service area. In placing these remotes in strategically located areas, Ballard Rural will be able to re-engineer its existing copper line system. Ballard Rural

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<sup>1</sup> On September 22, 1995, Ballard Rural filed a letter clarifying the number of exchanges it has in Western Kentucky. All references in its application to fifteen exchanges are incorrect.

also proposes to construct approximately 58 miles of new line and renovate approximately 260 miles of existing line.

Ballard Rural proposes to finance this construction by borrowing \$9,780,418 from the United States of America, Rural Utility Service ("RUS") and Rural Telephone Bank ("RTB"). This "K" loan has been reviewed, approved, and recommended for acceptance by the RUS General Field Representative, and is now awaiting final approval from the United States Department of Agriculture.<sup>2</sup> However, Ballard Rural proposes to pay any early expenses from its General Funds, which it would reimburse as soon as the RUS loan funds are available.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the construction of new facilities is needed to provide adequate and dependable service to existing and future customers and that a construction CPCN should be granted.

IT IS THEREFORE ORDERED that:

1. Ballard Rural be and it hereby is granted a Certificate of Public Convenience and Necessity to construct and upgrade facilities throughout its seven exchanges.

2. Ballard Rural's request to pay early construction costs from its General Funds, which it would reimburse when the RUS loan funds are available, is hereby granted.

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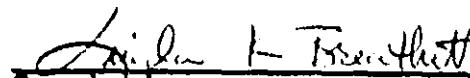
<sup>2</sup> Commission approval for the "K" Loan is not required because, pursuant to KRS 278.300(10), loans subject to the supervision or control of the federal government or any agency thereof are exempt from Commission regulation and therefore are not subject to approval.

Done at Frankfort, Kentucky, this 4th day of October, 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director